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CURRENT SUPPORT BRIEF

POLISH ALUMINUM INDUSTRY

OFFICE OF RESEARCH AND REPORTS

CENTRAL INTELLIGENCE AGENCY

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POLISH ALUMINUM INDUSTRY

Poland appears slated to become a leading producer of primary aluminum within the European satellite area. The decision to expand the aluminum industry in Poland is another step toward intra-Bloc integration of resources under CEMA (Council for Mutual Economic Assistance). 1/

Long-range plans for expanding the country's presently small industry are directed toward reaching an annual production of 215,000 tons* by 1975. 2/ The annual production rate, which reached 45,000 tons in late 1960, is to be 75,000 tons by 1965; 3/ according to present plans, the satellite area as a whole will account for about 15 percent of total Sino-Soviet Bloc output. (See Table)

Bloc Aluminum Production, 1960 and 1965
(Thousand Metric Tons)

	1960	1965
Total Bloc	970	2000
USSR	700	1400
Communist China	100	250
European Satellites	170	300
Poland	26	75
Czechoslovakia	56 a/	85
East Germany	35	55
Hungary	50	55
Rumania	0	25 b/

a. Plan goal.
b. Midpoint between 20,000 and 30,000 tons called for in plan announcement.

Poland's achievement of production goals announced for both 1965 and 1975 will require construction of new capacity. Present Polish output is produced at one plant, which is located in Skawina not far from Krakow. Construction of a second plant is to start this year in the vicinity of Konin, about 170 miles north of Skawina. This smelter is to receive electricity from a thermal electric plant being developed to utilize the large deposits of brown coal in the vicinity. 4/ Ultimately, the annual capacity of the Konin smelter is to reach

* Metric tons are used throughout this Brief.

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94,000 tons, about one-third of which is to be in operation before the end of 1965. 5/ To meet the 215,000-ton production rate planned for 1975, however, some 75,000 tons of capacity beyond that existing or known to have been planned will be necessary.

Poland must continue to rely on imports, in the form of either alumina* or bauxite, for its supply of aluminum oxide for aluminum production. However, as is the case in the USSR and various countries of the Free World, Poland is attempting to develop an economical method for extracting alumina from domestic deposits of common clay, slate, or shale. Experimental production reportedly was under way last year, but Polish planners no longer seem so sanguine about prospects for use of this material to a significant extent in the aluminum industry. The possibility of undertaking experimental production of alumina from imported low-grade bauxite also is being considered. 6/

Plans for the Polish aluminum industry are predicated on maximizing comparative advantages in certain natural resources of Poland and Hungary. Reserves of bauxite, the conventional ore of aluminum, are abundant in Hungary, but lacking in Poland. On the other hand, the potential for an adequate supply of relatively low-cost electric power--large quantities of which are necessary for the economic production of aluminum--exists in Poland, but not in Hungary. Therefore, an agreement has been reached whereby Hungary is to supply the raw material and Poland the producing facilities and power for primary aluminum production. 7/

Aluminum to be produced in Poland after 1965, moreover, is planned to cover the quantities of metal to be exchanged for Hungarian-produced alumina on which Polish production largely will depend. In the past, Poland has imported most of its alumina from Hungary on regular clearing accounts. Beginning in 1965, however, reciprocal deliveries of Polish metal and Hungarian alumina are planned to be exchanged on the basis of world prices. Between 1965 and 1975, Poland expects to receive on the order of 500,000 tons of alumina, on a repayment basis of possibly 20,000 tons of metal per 100,000 tons of alumina. 8/ Such an arrangement is another distinctive example of Bloc coordination for the systematic build-up of basic productivity.

* Alumina is the intermediate product, derived from bauxite or other aluminous ore, which is reduced to metal by means of electrolysis. (About 4 dry tons of bauxite are required to produce the 2 tons of alumina necessary to produce 1 ton of metal.)

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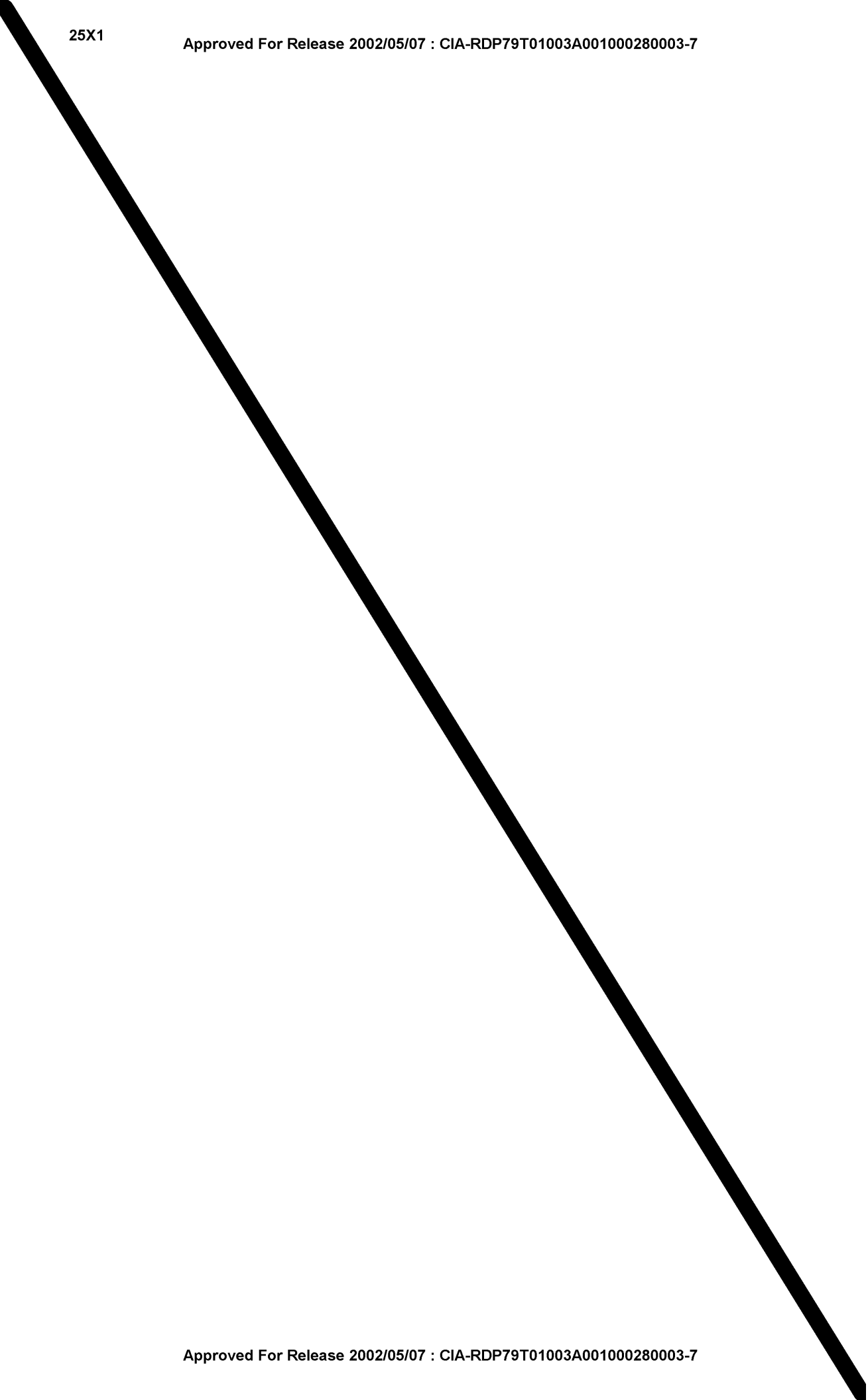

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